Bellwether Enterprise
Capital on a Mission

November 10. 2015

Robert W. Errett
Deputy Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
Rule-Comments@SEC.gov

Subject: *Comments on SR-FINRA-2015-036*, Proposed Rule to Amend FINRA Rule 4210 Margin Requirements for To Be Announced Transactions (Notice published October 20, 2015)

Dear Mr. Errett:

I am writing to you today to express our concern over the proposed margining rules and the negative impact such changes will have on our business flow as well as the industry as a whole.

Bellwether Enterprise Real Estate Capital, LLC ("Bellwether") is an originator of commercial and multifamily mortgage loans. We are an approved GNMA issuer as well as a Fannie Mae DUS and Small loan lender. In 2015 our total origination volume will exceed $4.5 billion with over $700 million being financed through the sale of GNMA and FNMA Mortgage Backed Securities.

Since Bellwether's inception in 2008 we have delivered over $1.8 billion of GNMA and FNMA mortgage-backed securities without a single failure. The current process for rate-locking and committing delivery of the MBS transactions has inherent safeguards to minimize a delivery failure unlike those followed in the single family market.

The majority of Bellwether's multifamily business represents affordable and workforce housing – two sectors that are desperately needed today. Should margining rules be imposed our costs will significantly increase (costs associated with setting up margin accounts, monitoring daily changes, lines of credit, cost of margin) all of which will be passed through to our end borrowers. The proposed rule will further impact construction loans (both new construction and substantial rehabilitation) given these transactions will be subject to margining until issuance of the permanent loan certificate.

A number of key affordable developers are not-for-profit entities that are mission driven in serving the population base with highest need, those families and seniors that have incomes that are at or below 50% of Area Median Income. These organizations are critical in the delivery of very low income units to the marketplace and depend greatly on governmental subsides to provide this housing stock. As such, adding additional cost burdens to these organizations and their properties threatens their ability to perform this critical need in the marketplace given that many do not have the financial resources to absorb the passed

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through margining costs that would occur with the passage of the proposed SEC/FINRA requirements. At a time where there is a shortage of housing stock and subsidies available to meet the needs of the populace, the additional burdens proposed under this ruling would serve to adversely impact the delivery of sorely needed housing.

The implementation of the proposed margining rules will also affect the competition in our industry – providing a potential monopoly to larger national lenders who have the infrastructure in place to monitor such margining requirements. This concentration with larger lenders will decrease competition and certainly affect pricing to our borrowers.

Bellwether is respectfully requesting the SEC to either exempt new issue multifamily and healthcare agency securitizations from its margining recommendations or expressly treat the Good Faith Deposit as satisfying any margin requirement in light of existing safeguards and best practices in the multifamily and healthcare agency securitization market.

Thank you in advance for your time and consideration.

Sincerely,

Deborah Rogan

Deborah Rogan
Executive Vice President

Cc: Eileen Grey, Mortgage Bankers Association
Tom Kim, Mortgage Bankers Association
Phil Melton, Bellwether Enterprise
John Powell, Bellwether Enterprise
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